Lack of transparency by banks in issuance of credit cards

†59. SHRIMATI SAVITA SHARDA: Will the Minsiter of FINANCE be pleased to state:

(a) whether Government have received complaints regarding lack of transparency in the services provided by banks issuing credit cards to its subscribers and whether subscribers are harassed by these banks by adopting various tactics;

(b) if so, whether Government have any proposal to formulate any code of conduct for such banks which issue credit cards; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Reserve Bank of India (RBI) have reported that they have been receiving complaints from the members of public regarding the service provided by the credit card issuing banks to the subscribers of credit cards including service charges, issue of unsolicited cards, method being adopted by the agents (engaged by the card issuing banks) for marketing of cards and for recovery of the credit card overdues.

(b) and (c) A meeting of the major cards issuing banks and Indian Bank's Association (IBA) was convened by RBI on December 24, 2004 to discuss issues relating to the credit card operations of banks. In response to the decisions taken in the meeting, IBA has already formed a Working Group to look into these issues and evolve a Fair Practice Code for credit cards issuers and a Model Code of Conduct for Direct Selling Agents. RBI has also constituted a Working Group to examine the regulatory and customer protection aspects of plastic cards and suggest measures for usage of credit cards in a safe, secure and customer friendly manner.

Micro credit regulating system for loans to poor people

†60. SHRIMATI SAVITA SHARDA: Will the Minister of FINANCE be pleased to State:

(a) whether Government is seriously considering to introduce shortly a micro credit regulating system for granting the loans to the poor people;

† Original notice of the question was received in Hindi.

(b) if so, the details thereof; and

(c) by when the said system is likely to be introduced?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) and (c) Detailed plan of action will be worked out in consultation with NABARD and RBI and the Bill in this regard would be introduced shortly.

Kelkar Committee Report

61. SHRI K. RAMA MOHANA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Kelkar panel on restructuring of the Finance Ministry has recommended separating functions of the tax policy makers from tax administrators and collectors;

(b) what are the other recommendations made by the panel;

(c) whether Government have studied those recommendations; and

(d) if so, what decision Government have taken on the report?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Kelkar panel had envisaged reorganization of various divisions/work in the Ministry of Finance. This, *inter-alia*, includes granting greater autonomy accompanied by sufficient accontability in matters relating to the tax administration with a view to removing wastage of any resources and protecting public interest at all times.

(c) and (d) These recommendations provide valuable inputs to the continuing efforts to enhance efficiency and effectiveness of the Ministry.

Revenue collected from Gujarat

62. PROF. ALKA BALRAM KSHATRIYA: Will the Minister of FINANCE be pleased to state:

(a) the details of revenue collected from the State of Gujarat directly and indirectly during the last two years;